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Limited Liability Company doing business in
California, and Counterclaim-Defendant Jacob
Hodges

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

GLOBAL BTG LLC,

Plaintiff,

v.

NAC AIR CARGO, INC.,

Defendant-
Counterclaim Plaintiff,

v.

GLOBAL BTG LLC, JACOB
HODGES and DOES 1-5,

Counterclaim Defendants.

Case No. 2:11-cv-01657-MMM-JCGx

**DECLARATION OF JACOB
HODGES IN SUPPORT OF
GLOBAL BTG LLC'S AND JACOB
HODGES'S MOTION FOR
PARTIAL SUMMARY JUDGMENT**

Hon. Margaret M. Morrow
Discovery Cutoff: June 5, 2012
Pretrial Conference: Nov. 13, 2012
Trial Date: Dec. 4, 2012

Hearing Date: December 10, 2012
Hearing Time: 10:00 am
Hearing Location: Courtroom 780

1 1. My name is Jacob Hodges. I am the sole member of Global BTG LLC
2 ("Global") the plaintiff in this lawsuit against National Air Cargo, Inc. ("NAC"). I
3 have first hand knowledge of the matters referred to in this declaration unless
4 otherwise indicated.

5 2. In December 2004, I began a six year tenure with BCI Aircraft Leasing
6 ("BCI"), a relatively small aircraft lessor. During my tenure BCI grew from a
7 company with \$384 million in aircraft assets to over \$1.1 billion in aircraft assets
8 under operating lease. BCI bought over 118 aircraft, and while employed at BCI I
9 secured financing for most of those purchases and was involved in every one.

10 **Formation of Global BTG LLC**

11 3. I contemplated forming Global BTG as a Nevada limited liability
12 company as far back as December 11, 2008, when Stuart Warren reserved the name
13 Global BTG LLC with the Nevada Secretary of State.

14 4. When I left BCI in May 2010 I took affirmative steps to form my own
15 firm, Global BTG LLC.

16 5. On May 9, 2010, I purchased and registered the domain name www.
17 Globalbtg.com on behalf of Global.

18 6. On July 8, 2010, I instructed my counsel, Stuart Warren to reserve the
19 name Global BTG LLC and prepare organizational papers for registering Global
20 BTG as a Nevada limited liability company.

21 7. On July 12, 2010, I also sent an email to a relative asking him to serve
22 as Global's Nevada agent for service of process.

23 8. Global's articles of organization were filed with the Nevada Secretary
24 of State on July 20, 2010.

25 **The Agreement with NAC**

26 9. In the summer of 2010, Donald Stukes contacted me by email to
27 explore the possibility of entering into an agreement with NAC for the purchase and
28 leaseback or to enter into operating leases, with NAC as the lessee, for up to eight

1 747 aircraft. My team and I have experience leasing, managing, and operating 747
2 aircraft.

3 10. I expressed interest and began , along with certain members of my
4 team, negotiations with NAC's principals and their agent, Stukes. I acted as the
5 sole member of Global BTG LLC and always intended that Global BTG LLC be
6 bound and benefited by any agreement reached with NAC.

7 11. During the negotiations neither NAC nor NAC's agent Don Stukes
8 ever asked me or anyone associated with Global any questions about Global's
9 organizational status. Neither Stukes nor anyone from NAC ever showed any
10 interest in Global's organizational status.

11 12. During the negotiations I communicated to Stukes and NAC that
12 Global would not enter into an agreement unless NAC agreed that at least one of
13 the eight aircraft be under an operating lease, with NAC as the lessee, as was
14 originally presented by Stukes. Neither Stukes nor NAC told me that NAC would
15 not commit to at least one operating lease.

16 13. On July 17, 2010, the last day of negotiations before we executed a
17 binding Agreement, NAC requested that the Agreement include language that
18 Global would use its best efforts to deliver a memorandum of understanding
19 ("MOU") from a qualified lender by July 22, 2010. I, on behalf of Global,
20 informed NAC that it would be virtually impossible to obtain the requested MOU
21 in that time. NAC nonetheless desired to add this language so that it could
22 demonstrate progress to Japan Airlines, the airline from whom NAC was obtaining
23 five of the eight aircraft. NAC said that it was committed to purchase the aircraft
24 from Japan Airlines and Global received assurances throughout that the JAL
25 aircraft sale was not at risk.

26 14. At no point did NAC state or suggest that NAC would seek to
27 terminate the Agreement if, despite using its best efforts, Global was unable to
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1 deliver up an MOU from a qualified lender on or before Thursday July 22, 2010.

2 15. On July 18, 2010, I received an executed copy of the Agreement from
3 NAC for the purchase and leaseback of up the eight aircraft. I then signed the
4 Agreement and transmitted it to NAC. When signing, in my capacity as the sole
5 member of Global BTG, LLC, I did not notice that the signature line read Global
6 BTG, Inc. This was a typographical mistake as I intended Global BTG LLC to be
7 bound, to assume all obligations and to receive all benefits from the Agreement.

8 16. Before the Agreement was finalized, Global conducted due diligence
9 on the aircraft's technical condition, prepared marketing materials, including credit
10 write-ups and requests for proposals, and was soliciting general lender interest to
11 determine what pricing was achievable.

12 17. Upon finalizing the Agreement, Global's effort and time commitment
13 to the deal multiplied. In the week following the execution of the Agreement, I and
14 others in my team, on behalf of Global, contacted and distributed requests for
15 proposals, on behalf of Global BTG LLC, to financing sources from around the
16 world.

17 18. During the negotiations I asked NAC and Stukes how many lenders
18 had been contacted for the same deal and I was informed that the prior contacts
19 were limited to two or three lenders. Since filing this action I learned that more
20 than a dozen lenders had been contacted. In my experience this causes confusion in
21 the market and made Global's job harder.

22 19. On July 23, 2010, I unexpectedly received an email from Donald
23 Stukes informing me that NAC was terminating its Agreement with Global. I tried
24 to discuss any accommodations with NAC but they did not answer my calls or
25 communicate directly with me to discuss what occurred and the reason for the
26 termination.

27 20. In the summer of 2010 I contemplated joining a newly formed aircraft
28 finance venture called Pearl Aviation but ultimately declined a lucrative offer from

1 them. Never, in my discussions with NAC and Stukes was Pearl Aviation
2 discussed, and I never said that I was affiliated with Pearl. To my surprise, during
3 discovery in this action I learned that NAC executives and Stukes referred to Global
4 as "Pearl" during the negotiations of the Agreement.

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6 I make this declaration under penalty of perjury under the laws of the United
7 States. Executed this 14th day of September 2012, in Camarillo, California.

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9 
10 Jacob Hodges
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